

Members

Rep. Mae Dickinson, Chairperson
Rep. David Orentlicher
Rep. Vaneta Becker
Rep. David Frizzell
Sen. Patricia Miller
Sen. Greg Server
Sen. Connie Sipes
Sen. Timothy Skinner



FSSA EVALUATION COMMITTEE

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MEETING MINUTES¹

Meeting Date: September 27, 2004
Meeting Time: 10:30 A.M.
Meeting Place: State House, 200 W. Washington St., 233
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Rep. Mae Dickinson, Chairperson; Rep. David Orentlicher; Rep. Vaneta Becker; Sen. Patricia Miller; Sen. Greg Server; Sen. Timothy Skinner.

Members Absent: Rep. David Frizzell; Sen. Connie Sipes.

Call to Order

The meeting was called to order by Rep. Mae Dickinson, Chairperson, at 10:45 am.

Discussion of FSSA Organizational Structure

Mr. Don Blinzinger

Rep. Dickinson called on Mr. Don Blinzinger, former Welfare Department Commissioner, to address the Committee. Mr. Blinzinger said that although he is a part of BoseTreacy Associates, he was not representing the firm or a client, but rather had been invited to discuss his observations of FSSA. Mr. Blinzinger explained that he had 20 years of experience in human services culminating as Commissioner of the Welfare Department and that he had been head of the Human Services Coalition at the time that FSSA was established.

Mr. Blinzinger observed that funding for FSSA is not done based on a holistic approach, but rather there are over 60 programs with independent funding sources. Each funding source or program has its own focus. He said that what was needed was to weave these different

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

programs into a quilt.

Mr. Blinzinger had been Commissioner of Welfare when the budget exceeded \$1 B for the first time. He had meetings with the Commissioner of Mental Health to discuss ways that federal funds could be used more creatively. However, it was up to him to explain to the Legislature the increase of costs. He indicated that this diminished his enthusiasm for expansion of Medicaid especially when the benefit accrued to another department.

Mr. Blinzinger opined that the one way to weave the 60 programs into a quilt is a single agency. In concept, he said, a single agency is not a bad thing, but the legislation stopped short and was not a holistic approach. He explained that the secretary position was designed as a coordinator and that the Office of Medicaid Policy and Planning (OMPP) was given some independence. The three divisions were recasts of the earlier social services agencies and very autonomous. He pointed out that the statute says the directors are responsible for divisions, but do not have to report to the secretary. The divisions have operated on their own, and do not contribute to weaving the quilt. For example, Mr. Blinzinger said, Division of Families and Children (DFC) does as much for the aging as the Division of Disability, Aging, and Rehabilitative Services (DDARS).

Mr. Blinzinger recommended that the Committee not be too hasty in rearranging FSSA, although word had just been received that the Governor was announcing a reorganization of state government. He said that in order to meld the quilt, one person had to have responsibility for all the programs. He also said that the responsible person should have programmatic knowledge and that comprehensive training for staff was necessary.

Mr. Blinzinger indicated that, from information in the LSA report, some secretaries had found resistance to their agenda and that he believes that resistance comes from inside FSSA. He suggested that it has to do with the division structure. Mr. Blinzinger indicated that most children's services are funded with property tax. He said that the degree of family dysfunction has increased since 1968 when he was a caseworker. He suggested that the caseload and pay for caseworkers be reviewed.

Rep. Vaneta Becker asked for Mr. Blinzinger's comments in writing and, then, if he had any recommendations on the number or ratio of caseworkers that would address the concerns he had raised. Mr. Blinzinger did not, but Rep. Dickinson said that a recommendation had been made by the Commission on Child Abuse about caseworker ratios.

Sen. Timothy Skinner asked for ways to meld FSSA programs. Mr. Blinzinger indicated that a guiding force is needed. He pointed to federal requirements that a single state agency be responsible for Medicaid including eligibility determination. For home-based services for the aging, it would make more sense for the Area Agencies on Aging to work on eligibility, but that it would not make sense for the mentally ill or developmentally disabled. He said that the best thing is to have workers close enough to develop an understanding of how they can work together. Mr. Blinzinger recommended that this be accomplished through training.

Rep. Becker returned to the role of secretary, saying that the secretary had been given more responsibility over the years, but no powers or controls. She said that she did not see a single person being able to fulfill all the responsibilities. Mr. Blinzinger indicated that, as Welfare Department Commissioner, he had had two-thirds of the responsibilities that were a part of FSSA today and that what had been added, mentally ill and aging, did not add that much more. He suggested that the secretary role has been weak and the secretary has to chase things in the face of resistance.

Rep. Becker asked about combining the Department of Health and FSSA and the division of

health and human services. Mr. Blinzinger said that the State Department of Health has regulatory concerns.

Ms. Melissa Durr

The chairperson called on Ms. Melissa Durr, Executive Director, Indiana Association of Area Agencies on Aging. Ms. Durr provided a written copy of her testimony (Exhibit A) in which she recommended a change to the current reporting lines for aging. Ms. Durr opined that Indiana should establish a Division of Aging to meet the needs of the aging population.

Rep. Becker asked where programs that relate to aging and Medicaid would be housed under the proposal. Ms. Durr indicated that other states she reviewed, such as Ohio and Michigan, had separate agencies for aging, and that those agencies worked closely with the agency for Medicaid. She said that Oregon had one agency, but staff was dispersed among the divisions. Senator Greg Server commented that the structure could be similar to a change that was made where people from IDEM were assigned to the budget agency, making the concerns more easily understood.

Mr. Jim Leich

Rep. Dickinson next asked Mr. Jim Leich to address the committee. Mr. Leich explained that he was one of six LSA staff involved in the sunset evaluation of state human services programs prior to the creation of FSSA. As part of a sunset program, the LSA staff recommended pulling the agencies together. Mr. Leich said that there were three reasons for this recommendation. The first was the administrative savings from reduced duplication and more effective use of federal funds. The second was linkage of the Medicaid program to all programs that used Medicaid funds, instead of isolating in the Welfare Department. The third reason was the ability to reduce consumer confusion with one-stop shopping.

Mr. Leich explained that constituency groups were concerned that in a single, large organizational structure they would lose their influence and that there would be no consumer input into the agency. As a result, Mr. Leich said that the secretary has limited authority and that the division directors were given autonomy. He talked about Medicaid being part of the Office of the Secretary and that statute required OMPP to have written agreements with the divisions, taking the secretary out of the model.

Mr. Leich opined that the Office of the Secretary does not receive enough money to effectively plan, develop policy, and evaluate performance. In response to a question from Rep. Becker, Mr. Leich said that the secretary should be more like a CEO; not responsible for administration of day-to-day activities, but promoting the agency with the Legislature and involved in the community. Mr. Leich indicated that the agency should not be pulled apart because there are overlaps of the population. He suggested that the agency had not been consolidated enough and this is a good time to re-examine the structure.

Upon further questioning from Rep. Becker, Mr. Leich said that division directors are the day-to-day administrators. The responsibilities of the secretary should include the intraagency issues such as human resources, and that some of the responsibilities such as contracting should be assigned to a deputy secretary.

Ms. Sally Morris

After thanking Mr. Leich for his comments, the Chair called on Sally Morris, Director of Communications for INARC. Ms. Morris said that there were good reasons to consolidate human services, but that people can get lost within a larger structure. Ms. Morris said that more

resources were available to consumers with developmental disabilities because of the restructure. She said that SB 317 was a comprehensive plan for the developmentally disabled, but that it has not taken hold at the local level.

She illustrated with discussion of the way a child may progress from First Steps to a different system as the child ages, and then to Medicaid waivers as an adult. She said that one-stop shopping is not occurring at the local level.

Ms. Morris turned to attrition of staff at the state level and suggested better funding of training at the state level. She questioned whether some of the high profile cases could have been avoided with better training. Also, Ms. Morris addressed technology, saying that systems are still not working together. She talked about problems of coordination with the State Department of Health and that people in group homes were often denied services without understanding the reasons.

Ms. Morris opined that FSSA should not be pulled apart, but that some fine tuning should occur at the local level.

Other Comments

Mr. John Cardwell

Rep. Dickinson asked Mr. John Cardwell, Generations Project, to speak. Mr. Cardwell said that he had been involved with the Citizen's Action Coalition at the time that FSSA was formed. Mr. Cardwell opined that the Office of the Secretary is not supposed to be a top-down agency. He indicated that other states with super agencies have regretted them and these states are reforming as smaller entities. He said that the current organizational structure is driven by budget rather than input from citizens, and that SB 317 and SB 493 have had no substantial implementation.

Mr. Cardwell identified two reasons that states that are successful regardless of their organizational structure. The first is that they promote professionalism, and the second is that the systems assess what people need.

Mr. Cardwell said that Indiana has an exaggerated role for providers that drives policy and drives up cost. He said that changes to improve FSSA would include a commitment to professionalism and stopping fiscal policy from driving policy at the top of the agency. Further, he recommended global budgeting that would allow any individual to get appropriate services.

In response to a question from Rep. David Orentlicher, Mr. Cardwell said that he was not convinced that consolidation works. He said that applying business principles works, but business-type customer service models should be used. Mr. Cardwell indicated that separate agencies may be a better match to the constituencies.

When Rep. Becker asked about the regulation of group homes, Mr. Cardwell indicated that through technology, people are able to live at home and that this was a change from the rules-based inspections conducted by the Department of Health. He said that through self-directed care and case management, problems with providers can be detected earlier and there does not need to be regulation through inspection.

Mr. Mark St. John

Mr. Mark St. John, Lamba Consulting, was called on. Mr. St. John indicated that he too had been involved at the time that FSSA was established. He said that FSSA has inadequate

resources and that FSSA was not operating the way that the General Assembly intended. Mr. St. John opined that the secretary's office needs to coordinate activities of the divisions, not interfere with their independence.

Public Testimony

After a break from 12:20 pm to 12:30 pm, Rep. Dickinson asked for public testimony. Mr. Paul Preston came forward to discuss a clerical error that has resulted in a long-running problem with FSSA.

FSSA Response to Organizational Structure Issues

Ms. Annette Biesecker, Legislative Director, FSSA, was asked if she would respond to the earlier comments. Ms. Biesecker did not have a response, but shared with the Committee members copies of a state government restructuring plan put forward by the Governor at a news conference at 10:30 am that morning (Exhibits B and C).

In response to a question from Rep. Becker, Ms. Biesecker indicated that the Lieutenant Governor had been working on the proposal for eight months. She indicated that she understood that mental health would be under public health.

Sen. Patricia Miller asked what the process had been to develop this proposal and whether public testimony had been taken. Ms. Biesecker indicated that consultants, for example, from Purdue had been used in forming the report, but she did not know if the consultants had been hired or worked as volunteers.

Sen. Server asked about the role of secretary and how to implement some of the suggestions made such as dealing with policy and not having to work 24 hours a day/7 days a week. Ms. Biesecker suggested that the secretary has to be so involved because it is an agency that serves a million people with a budget of \$6 B. Sen. Server asked if smaller divisions would improve the organization. Ms. Biesecker indicated that the agency will back the Governor's plan.

Sen. Miller asked for what FSSA's comments would have been had the Governor not introduced a new plan. Ms. Biesecker indicated that the agency works well and that there is a way to address issues through policies and rules.

Public Testimony

Next, the Chair asked for any other public testimony. Mr. A.G. Clyne, who spoke at the last meeting, was recognized to provide an update. He indicated that he had learned that the Medicaid waiver his son qualified for would not pay for the type of care he wanted and that he needed an organization to get things changed. Mr. Clyne provided handouts concerning his son to the Committee (Exhibit D).

Mr. John Priori, NAMI, opined that the Governor's proposal (known as the Peak Performance Project) did not include public comment. He said that the process had been top down, but that it should have started from the bottom. Mr. Priori said that services are not being delivered, people are being put out of institutions, and that they are competing for the same dollars. He said that what is needed is to push services down to the local level.

Select Date for Next Meeting

The Committee selected October 22, 2004, at 10:30 am for the next meeting date. This would

accommodate speakers who will be coming from out of state.

Sen. Server summarized the meeting by saying that he had heard two things. Some people want to leave things as they are, and some want give the secretary more power. He suggested that adding qualifications for the secretary position may help. He also reflected that these programs seem to have common goals, but not when it comes to the budget. He said that the Legislature could change the structure, but not the culture. Sen. Server suggested that there has been a lot of discussion, but the ideas do not get implemented.

Adjournment

The meeting adjourned at 1:50 pm.